

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
OHIO COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2003
Through June 30, 2004**



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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Robbie Rudolph, Secretary, Finance and Administration Cabinet
The Honorable Jason S. Chinn
Ohio County Property Valuation Administrator
Hartford, Kentucky 42347

We have performed the procedures enumerated below, which were agreed to by the Ohio County Property Valuation Administrator, solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2003, through June 30, 2004. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Ohio County Property Valuation Administrator. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the Property Valuation Administrator has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month.

Finding -

The Property Valuation Administrator has a receipt and disbursements ledger and reconciles the bank records to the books each month.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Payment amounts obtained from city governments agreed to recorded city receipts.



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(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the Property Valuation Administrator's local bank account.

Finding -

Although the total statutory contribution required of the fiscal court was properly budgeted and paid to the Property Valuation Administrator, the amount for the deputy salary hire and the remaining quarterly amounts were not in compliance with the amounts required by KRS 132.590(11). KRS 132.590(11) requires the fiscal court to pay to the Property Valuation Administrator or the Kentucky Revenue Cabinet the entire amount of the deputy salaries amount by September 1 each year and the remaining statutory contribution is to be paid in 4 equal payments by September 1, December 1, March 1, and June 1. For the fiscal year ending June 30, 2004, the fiscal court should have paid \$16,060 to the Property Valuation Administrator by September 1, 2003 and \$2,335 on September 1, 2003, December 1, 2003, March 1, 2004, and June 1, 2004, rather than the \$6,350 which was paid each quarter for a total statutory contribution of \$25,400.

Property Valuation Administrator's Response -

PVA was not aware of KRS 132.590(11) nor was County Judge or Treasurer, due mainly to memorandum to County Judge reflecting county appropriation to PVA does not reflect KRS 132.590 (11) or Sept 1 due date. In future through conference with County Judge beginning with fiscal year 05-06 payment will be made in accordance with KRS 132.590(11).

4. Procedure -

Select a sample of disbursements from available Property Valuation Administrator's records and agree amounts to cancelled checks, paid invoices, or other supporting documentation. Determine if the expenditure is for official business.

Finding -

Disbursement amounts as recorded in the disbursements ledger agreed to the amounts per the cancelled checks, and were supported by paid invoices.

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(Continued)

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets.

Finding -

Capital Outlay disbursements were compared with cancelled checks and supporting documentation, however the auditor did note a new copier was inappropriately charged to copy machine maintenance rather than capital outlay. Newly acquired assets were located in the Property Valuation Administrator's office.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

No vehicle lease agreements, personal service contracts, or professional service contracts were noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized, flowing script.

Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
November 10, 2004

